



**Financiera Maderera, S.A. and
subsidiaries**

Independent Verification Report
Consolidated Non-Financial Statement



Independent Verification Report

To the shareholders of Financiera Maderera, S.A.:

Pursuant to Article 49 of the Spanish Commercial Code, we have conducted a limited assurance-basis audit on the accompanying Consolidated Non-Financial Statement (hereinafter "CNFS") for the tax year ended December 31, 2021 issued by Financiera Maderera, S.A. (the Parent Company) and its subsidiaries (hereinafter FINSA or the Group), which forms part of FINSA's consolidated management report.

Liability of the Parent Company's directors

The formulation and content of the CNFS included in FINSA's consolidated management report are the responsibility of the directors of Financiera Maderera, S.A. The CNFS has been prepared in accordance with the contents included in the current mercantile regulations and following the criteria of the *Sustainability Reporting Standards* of the *Global Reporting Initiative* (GRI standards) selected as is stipulated for each matter in Annex II, "Index of contents according to the requirements of Law 11/2018 on Non-Financial Information and Diversity, according to the GRI" of the aforementioned State.

This responsibility also includes the design, implementation and maintenance of such internal monitoring as is deemed necessary to enable the CNFS to be free from material misstatements due to fraud or error.

The directors of Financiera Maderera, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary to prepare the CNFS is obtained.

Our independence and quality control

We have complied with the independence requirements and other ethical requirements of the International Code of Ethics for Professional Accountants (including the International Standards of Independence) issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and consequently maintains a comprehensive quality control system that includes documented policies and procedures relating to compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

The work team was made up of professionals with expertise in non-financial information reviews and, specifically, in economic, social and environmental performance information.



Our responsibility

Our responsibility is to express our conclusions in an independent, limited-assurance verification report based on the work performed. We conducted our work in accordance with the requirements of the current International Standard on Assurance Engagements 3000 Revised, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (NIEA 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Performance Guidance on Assurance Engagements on Non-Financial Information issued by the Spanish Institute of Chartered Accountants.

In the case of a limited-assurance engagement, the procedures carried out vary in nature and timing and are less extensive than those carried out in the course of a reasonable-assurance engagement, therefore the assurance provided is reduced.

Our work consisted of asking questions of the Management as well as of the various FINSA units involved in the preparation of the CNFS, reviewing the processes for collecting and validating the information presented in the CNFS, and applying certain analytical procedures and sample review tests described below:

- Meetings were held with FINSA personnel to learn about the business model, policies and management approaches applied, the main risks related to these issues and to obtain the necessary information for the external review.
- An analysis was conducted of the scope, relevance and completeness of the contents included in the CNFS for the tax year 2021, based on the materiality analysis performed by FINSA and described in Annex I "Materiality Analysis", taking into account the contents required by current commercial regulations.
- An analysis was conducted of the processes for collecting and validating the data presented in the CNFS for the tax year 2021.
- A review was conducted of the information on the risks, policies and management approaches applied regarding the material aspects presented in the CNFS for the tax year 2021.
- Verification was conducted via tests based on a selected sample of the information related to the contents included in the CNFS for the tax year 2021 and its adequate compilation based on the data provided by the information sources.
- A letter of representation was obtained from the Directors and Management of the Parent Company.

Conclusion

Based on the procedures performed in our verification process and the evidence we have obtained, no aspect has come to our attention that leads us to believe that the CNFS of Financiera Maderera, S.A. and subsidiaries for the tax year ended December 31, 2021 has not been prepared, in all its significant aspects, in accordance with the contents included in the current mercantile regulations and following the criteria of the GRI standards selected according to the stipulations for each matter in Annex II "Index of contents according to the requirements of Law 11/2018 on Non-Financial Information and Diversity, according to the GRI" of the aforementioned State.



Use and distribution

This report has been prepared in response to the requirements established in the current Spanish mercantile regulations, and therefore may not be suitable for other purposes and jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

Ramón Abella Rubio

May 19, 2022



Non-financial statement 2021



Table of contents

About this report	3
The company	4
Market environment	4
The year 2021	5
Industrial process	6
Products	7
Other business lines	8
Economic data	8
Social and personnel aspects	9
Respect for human rights	9
The experience of a team	10
Flexibility policy	15
Remuneration and the pay gap	15
Absenteeism	17
Conciliation	17
Diversity and equal opportunities	17
Digital disconnection	18
Training, the key to talent development	19
Measures to promote employment	19
Promotion of accident prevention culture	20
Safe activities	22
Health and safety committee	22
Audits	22
Agreements	22
Suppliers: our travelling companions	23
Selection criteria	23
Central purchasing department	23
Responsibility to the consumer. Circularity of the product	24
Guaranteed product	24
Product certifications	24
Forestry certifications	25
Sustainable building certifications	25
Complaints and claims	25
Environment and sustainability	26
Wood, a vital raw material	26
Environmental management, an essential resource	26
Risk management	27
Sustainable use of resources	27
Towards a sustainable future	30
Protection of biodiversity	31
Commitment to society	32
Associative vocation	32
Collaborative projects	32
Training	32
Industry 4.0	32
Prevention of occupational hazards in the forestry sector	33
2030 Observatory of the Senior Council of the Spanish Architects College	33
Gender-based violence	33
Ethics, integrity and transparency	34
Fighting corruption and bribery	34
Tax information	34
Appendices	36

NON-FINANCIAL
STATEMENT
2021

About this report

This Non-Financial Statement (hereinafter, "NFS") of the Consolidated Group of Financiera Maderera S.A, (FINSA) corresponds to the information contained in point 10 of the Management Report of the Consolidated Group, corresponding to the tax year ended December 31, 2020 and formulated by the Board of Directors at its meeting held on March 29, 2021.

Materiality analysis

The information included in this report is that which, in the opinion of the directors, is relevant to the Group according to its business activity and structure, and is presented in accordance with the current regulatory framework.

In order to design the contents of the CNFS and select the matters that are relevant, a materiality analysis is essential and was carried out with the aim of assessing the non-financial aspects that are critical for our stakeholders, as well as responding to the non-financial information and diversity requirements established by Law 11/2018 of 28 December 2018.

The guidelines for sustainability and corporate social responsibility reports of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standard Board (SASB), which specialise in evaluating the economic, environmental and social performance of companies, were taken into account in its preparation. In this context, the aspects were prioritised according to their impact on the business and the expectations of FINSA's key stakeholders, which are divided into internal parties (partners, shareholders

and employees) and external parties (customers, suppliers, the local government and the environmental authorities).

In the case of some legally requested matters, additional data have not been reported as they are not considered material for the company; these include those related to light and noise pollution (the reasons for not attaching measurement data are explained in the report) and actions to combat food waste, as they do not affect the development of the company's activity.

FINSA* materiality aspects

ECONOMIC

- Reduction of emissions from deforestation (REDD) ●●
- Indirect economic effects ●●●
- Product design and life cycle management ●●

ENVIRONMENTAL

- Material procurement ●●●●
- Energy consumption ●●
- Water consumption ●●
- Water management / storage ●●●
- Protection of biodiversity ●●
- GHG emissions ●●●
- Chemicals / waste management ●●●●
- Waste management ●●●
- Forestry practices (deforestation, fire control, use of pesticides, etc.) ●●●●
- Forest management ●●●

SOCIAL

- Internships ●
- Working conditions ●
- Workforce relations ●
- Health & Safety ●●
- Corruption* ●●●●
- Human Rights ●

OTHERS

- Regulatory compliance ●●●●
- Sourcing strategy and policies ●●●●

* Detailed table in APPENDIX I



The company

Financial Maderera S.A. (FINSA) is a family company that operates in the field of industrial wood processing.

The company started its industrial activity in 1931 as a sawmill in Portanxil (Ames, A Coruña, Spain).

FINSA develops solutions that aim to respond to the needs of the interior design, habitat and construction sectors. Its main activity is concentrated on the manufacture and processing of wood products (boards, decorative surfaces, laminate flooring and furniture components) and the processing of solid wood. These solutions offer a variety of integral applications: cladding, decorative surfaces, façades, flooring, building systems and outdoor equipment.

Alongside this main line of business, FINSA has two complementary divisions: its Chemical business that produces resins and chemical components, and its Energy business that deals with power generation. More details on page 8.

To achieve this, FINSA has established a network of solid and valuable relationships with its staff, its environment and the various agents involved in the sector.

Market environment

The changing reality of the markets, along with other variables such as the digitalisation of the sector, will influence success in achieving these

objectives. Similarly, the company must manage self-financing, business ethics policies and business sustainability.

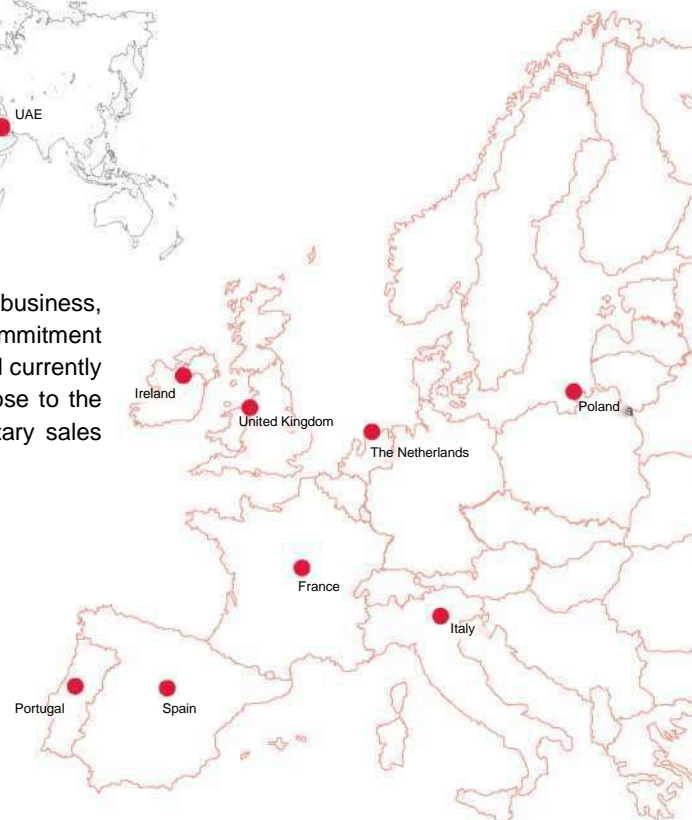
The purposes of the business include development of a market share in countries where activity is lower. The established objective will be achieved with a specific product catalogue adapted to the relevant geographical reality whenever possible, with the implementation of local manufacturing (both in-house and through alliances with similar businesses and other agents in the sector).

countries, 9 logistics platforms in different parts of Europe and an export department that works with customers all over the world.

Spain, Portugal and France are FINSA's main markets. The company maintains a share that it intends to reinforce by adapting the positioning of its solutions within all the channels in which it is present (distribution, industry and supermarkets) and by providing specialist services and technical advice to its prescribers.



Given the global nature of its business, the company maintains its commitment to international presence and currently has 10 production plants close to the ports of loading, 17 proprietary sales offices in 10



The year 2021 has been characterised by a high level of activity in our sector worldwide, due to a change in the order of consumer preferences with respect to their disposable income.

The year 2021

After the outbreak of the Covid-19 health crisis, the Iberian market for wood-derived products contracted very significantly in the first half of the previous tax year, although a sustained recovery began in the second half of the year. In the 2021 tax year, this market recovery will be consolidated as a result of a very favourable situation for all sectors related to the habitat sector.

The year 2021 has been characterised by a high level of activity in our sector worldwide, due to a change in the order of consumer preferences with respect to their disposable income. Due to the limitations on mobility and leisure, and the lockdowns derived from the pandemic situation, the construction, restoration and revamping of habitats became a priority expense.

This situation has produced an imbalance between supply and demand which, in our case, we have managed by prioritising product availability and reliable service to our customers over price. However, there has been an increase in selling prices due to higher production costs.

That being said, we have maintained all our planned investments, including the opening and start-up of a new production centre specialised in the manufacture of cross-laminated timber (CLT) panels.

Elsewhere, paying attention to research and development activities during the tax year 2021 in the areas of both wood solutions and chemicals, we have continued to work on two fundamental fronts: on the one hand, obtaining new products and improving existing ones, both in terms of technical and mechanical characteristics and in terms of commitment to sustainability, which will allow us to

introduce our clients to new value proposals based on digitisation, automation and artificial intelligence techniques. To that end, we highlight the developments in the chemical area in the production of bio-based products and the start of a multi-year smart factory project at the Ourense plant (Enxeño+).



The wood retains its qualities and improves its efficiency.

LOCAL BRANCHES

SPAIN

- FINSA Santiago
- FINSA Barcelona
- FINSA Logroño
- FINSA Madrid
- FINSA Seville
- FINSA Valencia
- FINSA Export

PORTUGAL

- Luso FINSA

FRANCE

- FINSA France

IRELAND

- FINSA Forest Products

ITALIA

- FINSA Italia

POLAND

- FINSA Polska

UNITED KINGDOM

- FINSA UK

THE NETHERLANDS

- FINSA BV

PANAMA

- FINSA Latin America

UAE

- FINSA Trading Middle East

MOROCCO

- FINSA Morocco

OFFICES

- Alicante

FACTORIES

SPAIN

- Padrón
- Santiago
- Rábade
- San Ciprián das Viñas
- Coirós
- Caldas de Reis Cella

FRANCE

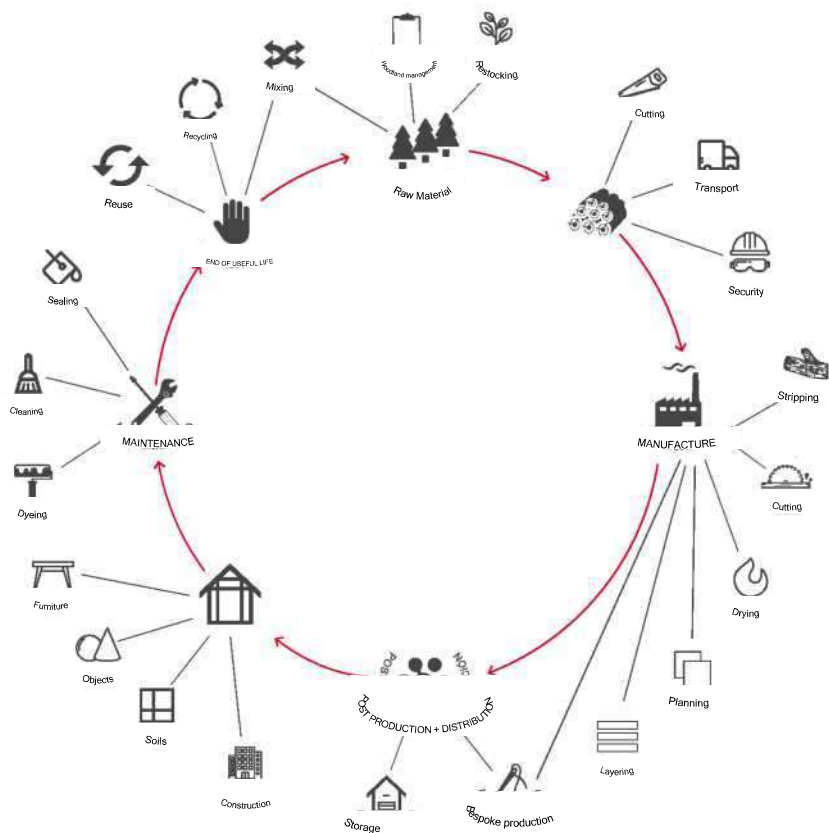
- Ambarés and Lagrave

PORTUGAL

- Gafanha de Nazareth
- Nelas

LOGISTICS PLATFORMS

- Barcelona
- Rábade
- The Netherlands
- Ireland
- France
- United Kingdom
- Poland
- Portugal



Industrial process

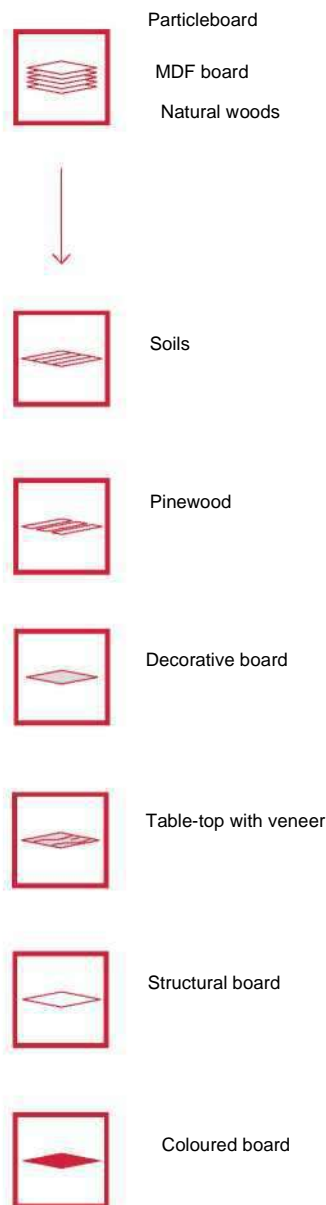
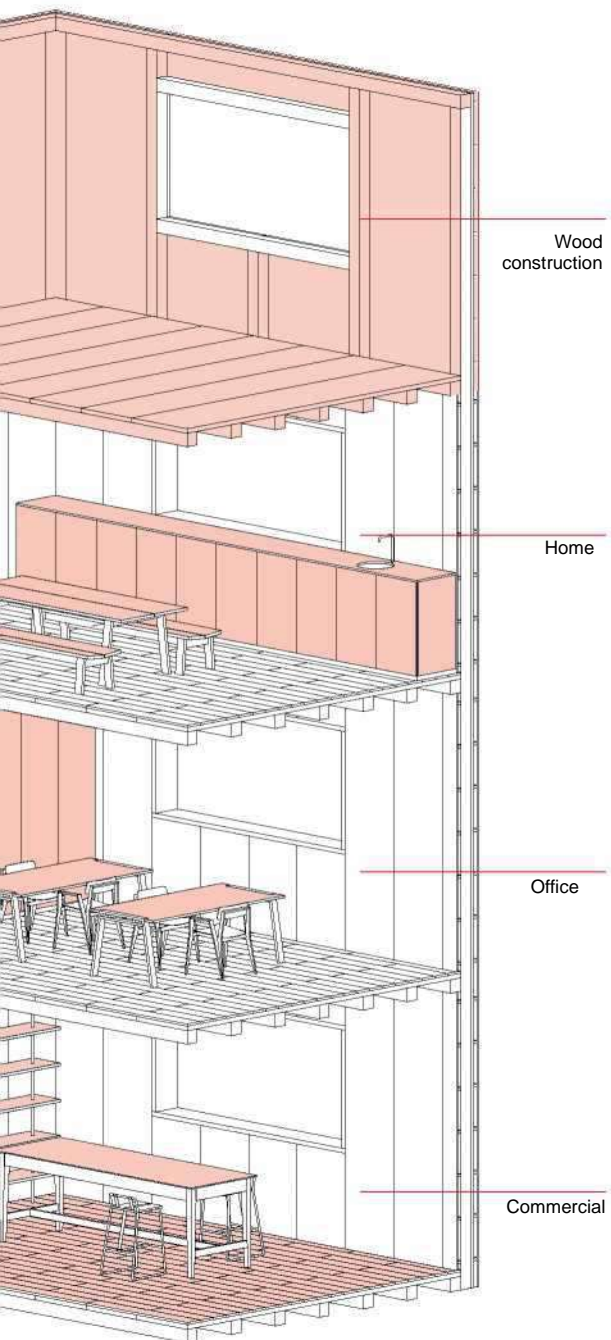
At FINSA we believe that the only way to grow in a responsible and sustainable way is by taking care of every detail of our production chain. It is one of the ways we can contribute to improving our environment, both natural and social.

The industrial process is based on the circular economy system, so that manufacturing is optimised to minimise waste (through recycling

and reuse) and maximise energy savings through cogeneration. In this way, the unusable waste created by industrial activity, together with material recovered from other industries, can be used as an energy resource.

These processes require advanced technology, a good level of training and a management in permanent development, to which different areas that support the organisation contribute.

FINSA's main activity is the manufacture of particleboard and MDF boards, the most common applications of which are found in the world of housing and in the furniture and construction industries.



Products

For more than ninety years, FINSA has based the transformation of wood on the conservation of its qualities, from the moment it enters the transformation process until it reaches the final consumer. This supply chain means that all the agents involved in the cycle (suppliers, intermediate customers, etc.) are enriched and involved in the achievement of this objective.

Innovation is a key lever throughout the entire product development and manufacturing process. This philosophy involves the technical and material aspects, while enhancing design as a differentiating value of the solutions required by its customers.

FINSA's main activity is the manufacture of particleboard and MDF boards, whose most common applications are in the interior design, habitat and construction sectors.

Particleboards are made of three layers of shredded wood bonded together by synthetic resins through flat pressing at high temperatures, and MDF boards are products made from lignocellulose fibres obtained from selected woods, bonded with synthetic resins under pressure at high temperatures.

Once coated with decorative paper, the boards are used for the manufacture of decorative surfaces, laminate flooring and furniture components, among other applications



We promote design as a differentiating value.

Other business lines

Alongside the main line of business (manufacture and transformation of products derived from wood), FINSA has established two complementary divisions:

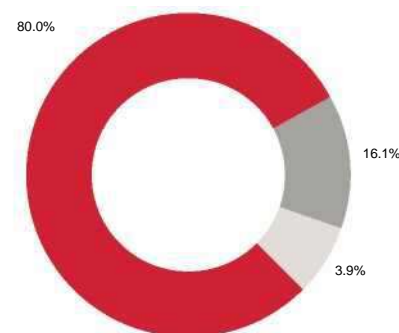
- A chemical business (Foresa): since 1964 it has focused on the creation of resins and chemical components. The purpose of this division is, on the one hand, to innovate in terms of internal industrial processes and, on the other, to respond to the demands and needs of customers by offering solutions applied to all sectors, including those targeted by the products manufactured by FINSA.

- An energy business (Cogeneración del Noroeste): the company has four cogeneration plants that make it possible to use thermal energy in the production process. The energy surplus is sold on the energy market and income is generated.

Economic data

In terms of turnover, of the €1,118.7 million turnover in 2021 (€832.0 million in 2020), the distribution by business would be as follows: €895.0 million for wood products (€692.0 million in 2020); €179.9 million for chemicals (€91.2 million in 2020); and €43.8 million for energy (€48.8 million in 2020). In these business activities, direct employment benefited 3,323 people (3,287 people in 2020).

2021 Turnover



- Products derived from wood
- Chemical department
- Energy

Social and personnel aspects

At the organisational level, during the year 2021 when the effects of the pandemic brought disruption to our lives, we continued to live with organisational measures resulting from the Covid-19 situation. The preventive measures agreed with the social partners and compliance with them by all personnel allowed us to continue our activities without incident in all our centres.

In this context, we continue to face capacity limitations, which means that work methods that combine in-person and remote work continue to coexist. The coronavirus pandemic has exponentially accelerated the digital transformation process in the organisation. In this accelerated transition, concepts such as telecommuting, remote organisation, new ways of interacting or the transversality of processes have been incorporated.

The entire FINSA workforce continues to be included within the scope of application of different collective bargaining agreements, which constitute the instrument regulating relations in the company within the framework of the labour legislation of the different countries in which the Group operates.

For a business group that promotes a culture of agreement, respect for freedom of association, fundamental rights and collective bargaining is an essential principle, as evidenced by the organisation's commitment to

the establishment of communication channels with all representatives involved in the work environment. It is also worth mentioning that collective agreements include various channels of communication with corporate representatives.

During this year we continued to make progress in the development of the necessary organisational changes that allow us to increase our capacity to adapt to the different environments in which the organisation carries out its activity. It is an organisation in which the diversity of visions and debate is encouraged so that the best decisions can be made at all times, based on autonomy and responsibility. To that end, among other aspects, we are working to maintain and develop the coordination of functions, the improvement of working conditions, training and professional development, occupational health and safety, equal opportunities for all people, and the promotion and integration of diversity.

In 2021, we resumed organisational dynamics that allow us to generate shared meaning and have developed different forums within the Organisation that have contributed to the approach of various topics in an organisationally ringed way and with a plurality of visions.

We maintain and promote relationships based on trust between people and professional performance. FINSA continues to work

on improving the skills of all its people in order to continue to adapt them to the demands of the present time.

Some of the highlights of 2021 included adaptation to the new working methods and conditions necessary to give continuity to our activities, establishment of new communication channels and the consolidation of measures derived from the equality plan, and a new professional training cycle covering wood processing which was offered for the first time in the 2021-2022 academic year at Santiago de Compostela

The post-pandemic scenario sets a highly challenging context for the coming years in which FINSA will develop its activity in increasingly global and complex environments.

Respect for human rights

FINSA maintains its commitment to human rights and promotes respect for them in all the countries in which it operates. This commitment is linked to compliance with its code of values and the provisions of the fundamental conventions of the International Labour Organisation concerning respect for freedom of association, the right to collective bargaining and the elimination of discrimination in employment.

The Organisation's commitment is to ensure that the conduct of all persons is respectful of human, social and labour rights in accordance with international standards, including the

Organisational dynamics that allow us to generate shared meaning have been taken up again and different topics have been developed with a plurality of visions.

Universal Declaration of Human Rights, the United Nations Global Compact and the principles of conduct and recommendations for the conduct of business published by the United Nations, the Organisation for Economic Cooperation and Development (OECD) and the International Labour Organisation (ILO).

For all these reasons, the minimum age for access to employment corresponds to the age of majority in the territories where it operates. As regards forced labour, there are no cases in any of FINSA's centres that indicate the need to adopt measures other than those currently in place in this area, in strict compliance with current labour legislation and the principles governing relations in the company.

The FINSA Group is not aware of any reports of behaviour that violates or is contrary to respect for human rights.

The experience of a team

A total of 3,323 people, distributed mainly between Spain, Portugal and France, made up the Group's workforce during the year. Of the total, 84% provide their services in Spain.

The following tables detail the staff by country. This does not include a breakdown of the 82 people who are part of the local branches and who are mainly located in the Netherlands and the United Kingdom.

Women comprise 19% of the total workforce. It is important to take into account that the wood transformation sector to which FINSA belongs is very male-dominated. Similarly, it is also necessary to consider the availability in the labour market of the profiles required for each position, especially in those related to the industrial technical field, engineering and technical training.

This year's exceptional circumstances have led us to adapt new work methodologies and digital tools in selection processes. The use of video interviews has grown exponentially as a complement to face-to-face interviews in selection processes.

In addition, internal selection processes have been carried out to fill new positions and vacancies, in line with FINSA's ongoing commitment to internal talent and the growth and development of its professionals.

As part of the Company's commitment to equal opportunities for men and women, and in compliance with the objective included in the Equality Plan to promote and improve women's access to positions of responsibility or positions in which they are under-represented, throughout this year we have worked to promote measures to encourage the incorporation of women

into these types of positions.

The implementation of these commitments is ensured through ongoing dialogue with social partners. This dialogue has resulted in the achievement of important milestones in the area of diversity and equality, such as the development of female employment in under-represented sectors, specific training for women to occupy management positions, and the integration of people with disabilities, among others.

By type of contract, the headcount in Spain would be as follows:

A total of 3,323 people, distributed mainly between Spain, Portugal and France, made up the Group's workforce during the year.

	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
SPAIN							
Female and male board members							
Female and male executives							
					1 (1)	2 (2)	3 (3)
Female and male directors and female and male technicians	19 (15)	104 (113)	12 (13)	17 (20)	216 (246)	141 (131)	509 (538)
Female and male admin / commercial staff	11(8)	62 (55)	33 (22)	10 (6)	91 (83)	39 (22)	246 (196)
Female and male operators	36 (24)	221 (203)	37 (36)	186 (202)	1,162 (1,180)	407 (346)	2,049 (1,991)
Total	66 (47)	387 (371)	82 (71)	213 (228)	1,470 (1,510)	589 (501)	2,807 (2,728)

(X) 2020

	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
FRANCE							
Female and male board members							
Female and male executives							
Female and male directors and female and male technicians	0 (1)	4 (8)	2 (2)	1 (2)	16 (9)	7 (6)	30 (28)
Female and male admin / commercial staff	2 (0)	8 (7)	2 (2)	2 (1)	5 (10)	2 (4)	21 (24)
Female and male operators	0 (0)	1 (4)	0 (2)	1 (7)	18 (47)	6 (20)	26 (80)
Total	2 (1)	13 (19)	4 (6)	4 (10)	39 (66)	15 (30)	77 (132)

(X) 2020

	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
PORTUGAL							
Female and male board members							
Female and male executives							
Female and male directors and female and male technicians	4 (2)	22 (19)	2 (0)	6 (7)	34 (36)	22 (19)	90 (83)
Female and male admin / commercial staff	2 (1)	5 (5)	4 (5)	0 (0)	7 (9)	11 (10)	29 (30)
Female and male operators	3 (1)	5 (6)	0 (0)	37 (38)	140 (136)	53 (46)	238 (234)
Total	9 (4)	32 (30)	6 (5)	43 (45)	181 (188)	86 (75)	357 (347)

(X) 2020



We have adapted the selection processes through new procedures, work methodologies and digital tools.

SPAIN

PERMANENT CONTRACT	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Female and male board members							
Female and male executives							
					1 (1)	2 (2)	3 (3)
Female and male directors and female and male technicians	5 (4)	101 (107)	12 (13)	6 (8)	208 (241)	141 (131)	473 (504)
Female and male admin / commercial staff	6 (5)	61 (55)	33 (22)	7 (5)	88 (81)	39 (22)	234 (190)
Female and male operators	9 (9)	164 (164)	36 (35)	118 (144)	1,069 (1,110)	403 (343)	1,799 (1,805)
Total	20 (18)	326 (326)	81 (70)	131 (157)	1,366 (1,433)	585 (498)	2,509 (2,502)

(X) 2020

TEMPORARY CONTRACT	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Female and male board members							
Female and male executives							
Female and male directors and female and male technicians							
	14 (11)	3 (6)	0 (0)	11 (12)	8 (5)	0 (0)	36 (34)
Female and male admin / commercial staff	5 (3)	1 (0)	0 (0)	3 (1)	3 (2)	0 (0)	12 (6)
Female and male operators	27 (15)	57 (39)	1 (1)	68 (58)	93 (70)	4 (3)	250 (186)
Total	46 (29)	61 (42)	1 (1)	82 (71)	104 (77)	4 (3)	298 (226)

(X) 2020

The coronavirus pandemic has exponentially accelerated the digital transformation process in the organisation.

Average number of contracts in Spain:

SPAIN

PERMANENT CONTRACT AVERAGE	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Female and male board members							
Female and male executives							
					1 (1)	1.99 (2.00)	2.99 (3.00)
Female and male directors and female and male technicians	3.74 (2.86)	104.10 (102.42)	12.96 (26.00)	4.49 (7.33)	214.41 (205.25)	143.04 (118.25)	482.74 (446.86)
Female and male admin / commercial staff	5.15 (5.00)	60.83 (49.85)	32.91 (11.00)	4.84 (4.82)	87.59 (75.58)	37.54 (29.00)	228.86 (190.25)
Female and male operators	7.82 (6.40)	161.93 (153.89)	37.45 (24.00)	110.28 (130.97)	1,058.06 (998.17)	417.42 (310.27)	1,792.95(1,613.69)
Total	16.71 (14.46)	326.86 (306.15)	83.32 (61.00)	119.61 (143.12)	1361.06(1,002.70)	599.99 (459.27)	2,507.54(2,253.27)

(X) 2020

TEMPORARY CONTRACT AVERAGE	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Female and male board members							
Female and male executives							
Female and male directors and female and male technicians	12.40 (10.27)	6.78 (6.77)	0.00 (1.20)	11.98 (14.18)	5.26 (6.88)	0 (17.76)	36.42 (57.06)
Female and male admin / commercial staff	5.15 (2.37)	0.05 (5.00)	0.84 (1.63)	2.93 (3.08)	2.71 (6.04)	0 (4.65)	11.68 (22.78)
Female and male operators	21.97 (14.96)	53.88 (36.37)	0.96 (19.42)	65.87 (66.26)	94.69 (85.14)	5.16 (72.47)	242.54 (294.63)
Total	39.52 (27.60)	60.72 (48.15)	1.80 (22.25)	80.77 (83.52)	102.57 (98.07)	5.16 (94.88)	290.64 (374.47)

(X) 2020



The percentages of indefinite-term contracts were maintained in the tax year 2021.

As for Portugal and France, they are detailed separately, taking into account the regulations that apply to each country, as there are differences in the type of contract.

of the board factory in France (agreed at the end of 2020) was implemented, which led to a reduction in the workforce, but the percentages of permanent contracts were maintained (89% in Spain,

95% in France and 92% in Portugal), as well as the commitment to employability and functional mobility as a lever for growth and professional development.

In 2021, the restructuring process

PORTUGAL

PERMANENT CONTRACT	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Total	3 (4)	29 (28)	6 (5)	34 (36)	170 (183)	85 (75)	327 (331)

TEMPORARY CONTRACT	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Total	6 (0)	3 (2)	0 (0)	9 (9)	11 (5)	1 (0)	30 (16)

(X) 2020

FRANCE

PERMANENT CONTRACT	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Total	2 (1)	13 (19)	4 (5)	3(6)	39(66)	15 (28)	76 (125)

TEMPORARY CONTRACT	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Total	0 (0)	0 (0)	0 (1)	1(4)		0 (2)	1 (7)

(X) 2020



The post-pandemic scenario sets a highly challenging context for the coming years, in which FINSA will develop its activity in increasingly global and complex environments.

Flexibility policy

The organisation of working time in the Group's different companies responds to the production needs of each activity, in accordance with the standards and regulations applicable in each sector and location.

To ensure personal well-being, FINSA considers the proper management of the organisation of work to be fundamental and has various initiatives to achieve its objective. Among the various actions carried out, the Group places special emphasis on work-life balance, flexibility, co-responsibility and disconnection, which are adapted to the various organisational or production situations and needs of each centre, function or activity.

The actual and effective working day, in the annual computation, respects the limits established in the collective agreements

and in the corresponding applicable labour regulations, so that each person employed, regardless of their daily working day and the hours they must work due to the specifics of their role, will carry out the actual effective working day in the annual computation, as established in the applicable labour regulations

The working hours at FINSA are split shifts and continuous shifts. In the split shift mode, 8 hours a day of effective work are carried out in the morning and afternoon, with an interruption in the working day at midday. In shift work, the work is performed in

continuous rotating shifts according to the annual work calendar established for each section. In all cases, staff are entitled to the legally established rest periods.

Most of the company's people are employed full-time. Part-time employment in the company is rare and is mainly used for the conclusion of partial retirement contracts.

Remuneration and the pay gap

The company is working to consolidate a common remuneration model that respects the shared principles of internal equity and external competitiveness, in coherence with the organisational and development model, and that allows for job progression, as well as promoting salary equity between men and women.

AVERAGE SALARY BY AGE IN SPAIN (Amount in euros)

	<30	30 to 50	>50
	26,106 (24,389)	30,996 (29,638)	40,070 (39,343)

(X) 2020

AVERAGE REMUNERATION* (Amount in euros)

	Female and male board members		Female and male executives		Female and male directors and female and male technicians		Female and male admin / commercial staff		Female and male operators	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Spain	—	—	—	152,485 (151,864)	39,262 (38,085)	51,690 (49,756)	33,432 (32,359)	40,748 (38,854)	24,093 (21,977)	28,187 (26,165)
Portugal	—	—	—	—	30,534 (28,259)	35,596 (32,696)	26,146 (24,922)	34,204 (31,322)	14,664 (14,744)	19,789 (18,172)
France	—	—	—	—	42,866 (33,943)	53,307 (43,922)	33,916 (28,697)	51,741 (53,743)	35,203 (27,142)	36,063 (32,696)

(X) 2020

* Partial retirees have not been taken into account for the calculation of the average remuneration.

Information on the Directors is not included, as they do not have an employment relationship with the Company.

With the restructuring of production capacity in the French market, a review of positions, posts and profiles has begun and will continue in the coming tax year, resulting in differences between categories compared to the previous year

We are working to consolidate a common remuneration model that responds to the shared principles of internal equity and external competitiveness.

Taking all the above into account, the wage policy is articulated on the basis of the value of the role in the organisation assigned to each individual and his or her performance. FINSA thus follows performance assessment processes for the workforce with a methodology that considers three areas: competence, development and contribution.

The ratio in absolute terms between the average salary of men and women in the consolidated balance sheet is as follows:

AVERAGE CONSOLIDATED SALARY	
Female and male board members	—
Female and male executives	—
Female and male directors and female and male technicians	1.32 (1.31)
Female and male admin / commercial staff	1.22 (1.19)
Female and male operators	1.17 (1.19)

(X) 2020

In the average compensation figures for the year 2021, it should be taken into account that in this tax year a consolidable salary increase has been applied in tables and a non-consolidable variable in some work centres, which has had an impact on the overall wage bill.

To calculate the average remuneration, the gross annual remuneration has been taken into account. The remuneration received depends on various elements, such as level of specialisation, category, seniority or responsibility.

The salary evolution is in accordance with the labour relations model established in the company, and is marked by the salary parameters *set* by the collective agreements in force in each region and community.

The wage gap shown in the results is in line with the sectoral context and is based

mainly on the historical gender composition of the company, which translates into a higher average seniority of men compared to women. This comparison does not disaggregate, in absolute terms, elements such as seniority or the analysis of the functional bonuses received in each segment to define whether there is a gender gap in jobs of equal activity or whether the difference is due to any other cause (seniority, performance, results, etc.). The objective is to eliminate any cases of this type of inequality that may be detected.

With respect to the data for the 2020 tax year, in the 2021 tax year the difference between the average salaries of men and women in the different professional groupings was reduced, undoubtedly aided by the

In 2021, a total of 13 redundancies were made for various reasons:

DISMISSALS

PERMANENT CONTRACT	Women			Men			Total
	<30	30 to 50	>50	<30	30 to 50	>50	
Female and male board members							
Female and male executives							
Female and male directors and female and male technicians		0 (2)		0 (0)	0 (1)	0(0)	0 (3)
Female and male admin / commercial staff	0 (0)				0 (1)		0 (1)
Female and male operators	0 (1)		0 (0)	5 (1)	8 (1)	0 (0)	13 (3)
Total	0 (1)	0 (2)	0 (0)	5 (1)	8 (3)	0 (0)	13 (7)

(X) 2020



The health emergency resulting from COVID-19 has brought about major changes in the organisation in a short period of time.

implementation of the measures included in the Armed Enterprise Equality Plan in 2019.

The Organisation is committed to and ensures the prevention of any type or form of direct or indirect discrimination based on gender, providing objective criteria and analytical systems for determining the salaries of its professionals, thus responding to any possible salary gap between genders that may arise. In a sector traditionally associated with the male gender, we are trying to normalise a greater presence of women. In this work, we have always counted on the collaboration of corporate representatives, a key element in establishing the joint commitments and objectives that are reflected in the equality plan.

There are additional components that make up the overall remuneration, including social benefits of an economic or service nature, which may vary depending on the agreement applicable to each centre. Some of these social benefits are accident insurance, retirement plans, temporary disability supplements, Spanish Gourmet Cheques, agreements with local establishments for the application of promotional discounts, health insurance, children's Christmas parties, summer camps and language training for a large group within the Organisation.

Absenteeism

The rate of absenteeism, calculated for each country, is the percentage

resulting from the ratio between the number of hours workers are absent from work and the total number of theoretical hours worked in the various centres of the company.

*Absences correspond to sick leave.

ABSENTEEISM

	Hours worked	Hours lost	%
Spain	4,745,382 (4,692,086)	206,968 (182,288)	4.36 (3.89)
Portugal	618,996 (734,073)	23,843 (19,822)	3.85 (2.70)
France	195,446 (265,265)	8,324 (11,964)	4.26 (4.51)

(X) 2020

Conciliation

At FINSA, everyone enjoys the same rights, and the right to work-life balance is a necessity for many of them, as well as an increasingly widespread request from the working population in general, and therefore does not go unnoticed by the Group. FINSA Group employees may adapt the length and distribution of their working days in order to assert their right to conciliate personal, family and work life, within the possibilities that the Group can offer at any given time, provided that the working day is respected

in the weekly/annual computation, as the case may be, all under the terms and to the extent provided for in the collective bargaining agreements or applicable labour regulations.

In its aim to improve the quality of life and contribute to a healthier future, FINSA has specific measures in social and labour matters that ensure the personal wellbeing of its employees, promoting the reconciliation of their professional and personal or family life and ensuring that they are not disturbed outside working hours.

FINSA has measures aimed at facilitating the balance between personal, family and working life of the people who work at the Company. Organising working time and favouring the compatibility of personal and family life with work is possible thanks to the implementation of initiatives such as flexible working hours in split shifts, the accumulation of breastfeeding leave, summer camps for children and paid leave and leave in excess of that stipulated by law.

Diversity and equal opportunities

As an organisation, FINSA is committed to a culture based on shared values, developed on the principles of mutual respect and efficient effort. To that end, it is necessary to respect the culture of each country and region, as well as to promote diversity and

The Equality Plan Monitoring Committee held meetings during the tax year to compare the evolution of the measures included in the plan.

equal opportunities for all people. It therefore attaches importance to maintaining an environment of mutual respect, listening and ongoing dialogue, with particular attention to the achievement of gender targets and the inclusion of persons with disabilities.

In compliance with the provisions of Spanish legislation concerning corporate integration of persons with disabilities, alternative measures have been established through collaboration and contracting of services with various special employment centres located in the vicinity of the production centres. In 2021, spending on this type of service exceeded €1 million.

At FINSA we value people for their skills and experience, in order to avoid possible discriminatory biases that can sometimes be applied unconsciously during selection processes.

In 2021, 25 people with disabilities were part of the FINSA team in Spain. As for other countries, since the concept of disability is not homogeneous and in view of the legal restrictions in force

in some countries that prohibit employers from accessing such information, there is no extrapolable data.

The company also collaborates with various entities and associations that promote the integration of particularly sensitive groups into the workplace. It takes responsibility for eliminating any obstacle that prevents equal access to and equal performance of jobs. This requires corporate representation.

Giving continuity to the work started in the Celia centre with the creation of the 1st Equality Plan in 2010, in May 2019 the Equality Plan of Financiera Madera S.A. was signed with the social representation of Galicia. The plan includes measures that affect different areas of labour relations such as selection, recruitment, promotion, training, occupational health, remuneration and reconciliation of family and work life. These measures are designed to prevent situations of inequality from a gender perspective and to promote equal opportunities.

Part of the Equality Plan is the Workplace Harassment protocol for the prevention of situations of workplace and sexual harassment within the Company, which is configured as a Guide for Action in situations of this type and which includes the procedure for prevention and intervention.

The Plan's Follow-up Committee held meetings during the year

to follow up on the measures included in the plan.

With the aim of making the entire workforce aware of the aspects regulated in this Equality Plan, specific communication actions have been carried out to publicise the measures that are being implemented and to contribute to raising awareness of equality among the staff.

Digital disconnection

Article 88 of Organic Law 3/2018 of 5 December, regarding the protection of personal data and guarantee of digital rights, regulates the right to digital disconnection in the workplace. It also includes the company's obligation to listen to the workers' representatives and subsequently draw up an internal policy aimed at workers, including those in management positions, which must define the methods for exercising the right to disconnection and the training and awareness-raising actions for staff regarding the reasonable use of technological tools to avoid the risk of computer fatigue.

In particular, the regulation establishes that the right to digital disconnection will be preserved in cases of total or partial remote work, as well as at the employee's home, provided that it is linked to the use of technological tools. FINSA is currently working to meet all the requirements

PERSONS WITH DISABILITIES

2021	25
2020	28



In 2021, we adapted the training actions to the reality of the pandemic situation, promoting online or remote learning actions.

of the aforementioned law.

FINSA has established various flexibility measures (maternity, paternity, reduction of working hours). This need for flexibility is managed on an individual basis, in each work team and according to personal and Section needs.

Training: the key to talent development

One of our priorities continues to be the recruitment of talent and continuous training, which represents one of the basic pillars for the professional development of the team and gives us a different value as a company.

Training at FINSA is planned, organised and executed according to the current or foreseen positions, once the need for and/or convenience of that training has been determined. The training actions are classified into five main areas: training in occupational risk prevention, technical updating, interpersonal skills, IT and languages.

In 2021, the total number of training hours amounted to 28,260 (14,824 in 2020), part of which corresponds to accident prevention training (see page 21).

During the tax year 2021, we continued to adapt training actions to the reality of the pandemic situation, encouraging the delivery of actions via online or remote methods whenever possible, and reducing or even postponing any

TRAINING HOURS*

	Women	Men
Female and male executives		17 (25)
Female and male directors and female and male technicians	3,142 (1,626)	5,478 (3,569)
Female and male admin / commercial staff	980 (162)	1,149 (487)
Female and male operators	2,463 (1,042)	15,032 (7,915)
Total	6,584 (2,830)	21,676 (11,995)

(X) 2020

in-person actions required by a role that would normally have been organised in the workplace; the aim is to facilitate the transfer of acquired knowledge as a safety measure within the Covid-19 Risk Action Protocols, to avoid people meeting up unnecessarily and to respect room capacity limitations.

Measures to promote employment

In order to promote employment and facilitate the labour integration of students, and within the framework of the talent recruitment policy, in recent years agreements have been signed with universities and vocational training centres in the different countries in which the company is present.

We continue to collaborate in the training of the teaching community. For the first time, a vocational training cycle establishing the title of Wood Processing and Transformation Technician was offered for the 2021-2022 academic year at Santiago

de Compostela. Dual training will be provided at the School of Forestry Engineering of the University of Vigo, following a pilot project carried out at the FINSA Santiago sawmill and timber yard. Dual training continues to be promoted in the group's various factories, as well as teacher placements, the delivery of training units, participation in training centres with talks and dynamics, and professional accreditations for the organisation's employees.

We welcome students from various different degrees to our company to facilitate the practical realisation of their final degree or Master's Degree projects. This is in addition to Workplace Training (FCT, Formación en los Centros de Trabajo), which supports Vocational Training (FP, Formación Profesional) students and various collaborations with universities and training centres to expand practical student training via scholarships.

In relation to dual vocational training in the 2014/2015 academic year, the first collaboration

The participation and cooperation of all people is necessary to continue improving occupational risk prevention throughout the organisation.

agreement was signed with the Education Department of the Xunta de Galicia to implement a dual vocational training project accompanying the Industrial Mechatronics advanced degree cycle at the CIFP Politécnico de Santiago, a collaboration that still prevails. FINSA has extended this collaboration to other communities and other specialities such as industrial robotics, regulation systems (electronics), laboratory and quality systems, carpentry and furniture among others.

The aim of this type of training is to help people achieve professional qualifications, alternating practical activities at the company with training activities in the educational centre. Dual vocational training integrates the three pillars that support the training process of a professional: curricular training (specific to the training cycle), work experience at the company and complementary training (specific to the company's production processes).

At the same time, this training method offers FINSA the opportunity to participate in the professional training of young people, developing academic content adapted to the needs of the company, enabling fast adaptation to the labour market.

During the tax year 2021, Vocational Training students were present in the Galician factories, split between those undergoing Dual Vocational Training from the higher cycle of Mechatronics (first and second year)

and those who completed the Workplace Training (FCT) module that students take at the end of their Vocational Training studies. In the Aragon factories, dual vocational training in Advanced Industrial Automation and Industrial Robotics was carried out alongside the FCT practices.

In the 2021 tax year, a number of training seminars were held (both on-site and online) on various subjects with the participation of students from Vocational Training Centres.

Promotion of accident prevention culture

The prevention of occupational hazards will always remain a priority and is accepted as a responsibility by the entire organisation, in the same way that it is integrated into all areas of the production process. The participation and cooperation of all people is necessary to continue improving occupational risk prevention throughout the organisation.

In 2021, some activities focused on promoting an accident-prevention culture that had been affected by the health crisis we are experiencing began to be recovered. It was necessary to look for alternative ways to carry out the same, taking into account the measures required by the situation.

Throughout the year, we continued with the mixed work method, which combines field and remote work

for all those positions in which it is compatible with the development of their activity together with the work in the manufacturing facilities.

Hygiene and organisational measures are maintained in the plants to prevent the transmission of the virus between co-workers. Some examples of these are:

- Temperature checks at facility access points
- Installation of hand sanitising equipment
- Provision of face masks to all personnel.
- Increased cleaning and disinfection of facilities
- Reduction of capacity in halls and facilities
- Periodic awareness campaigns for all employees concerning good practices in different work and social environments.

Similarly, the work started in 2020 continues with the analysis of various aspects related to possible situations with potential for serious accidents with different perspectives, with multidisciplinary working groups being assembled for each selected topic in which participants range from area managers to accident prevention officers.

Colleagues from all the centres of the group participate, which makes it possible to discuss reflections, analyses and standards implemented in the group with colleagues from different centres and the implementation of the same,



During the tax year, pilots were carried out with the new tool to allow more in-depth analysis of accidents.

adapting them to the specific nature of each centre.

This year, work continues in collaboration with the external consultancy firm on the development of the analysis tool that will allow, on the one hand, an in-depth analysis of accidents in general and, in particular, of potential serious accident situations. Its definition was completed throughout 2021. Pilot groups have been established in each centre and trained to start implementing the tool and the first analyses have been carried out.

This tool will not only allow a more in-depth analysis of various situations, but will also identify various warning scenarios and precursors that will allow personnel to identify situations that could

lead to an accident.

In 2021, a total of 142 lost-time accidents were recorded in the three main countries of activity. With regard to occupational illnesses, 1 case was detected.

Participatory ergonomics activities that had been put on hold due to the pandemic situation are beginning to be resumed and reinforced, which may help reduce accidents associated with more manual tasks.

Accident prevention activity in all the Group's companies is channelled through the Joint Prevention Service (SPM, Servicio de Prevención Mancomunado), set up as such in June 2001. The SPM is made up of 14 people trained in occupational risk prevention at a higher level who have

the three preventive specialties (industrial safety, industrial hygiene, and ergonomics and applied psychosociology).

At the same time it has other personnel, located in different departments, with basic, intermediate and higher training, who support and collaborate in the tasks assigned to the prevention service, as well as other people with a higher level specifically designated for preventive functions.

The health personnel, assigned to the different medical departments of FINSA, also collaborate actively with the prevention department. The health activity includes those specified by the Spanish General Health Law, as well as others such as surveillance functions and staff health checks.

Personal involvement can in itself be a preventive action in the world of work. With this vision in mind, FINSA is relying on a prevention project based on safety behaviours, which was established in 2015 after a situation analysis that was researched and established at the Group's ninth Prevention Day.

Since then, the focus of accident prevention management has centred on the observation of safe behaviour in the organisation, which is a step towards a more active type of accident prevention with a greater degree of involvement on the part of the workforce.

ACCIDENT INDICATORS
(GRI 403-2)

	Spain		Portugal		France	
	Women	Men	Women	Men	Women	Men
Accidents requiring sick leave	22 (12)	97 (68)	3 (1)	18 (15)	0 (0)	2 (5)
Table of contents rate	4.18 (2.51)	4.29 (3.06)	7.14 (2.50)	5.86 (4.79)	0 (0)	2.41 (4.23)
Table of contents rate	1.73 (1.09)	1.18 (1.00)	0.85 (0.02)	0.73 (0.51)	0 (0)	0.23 (1.34)
Frequency rate	23.98 (14.39)	24.57 (17.51)	34.34 (12.02)	28.19 (23.05)	0 (0)	14.1 (23.27)

(X) 2020

* Accident rate: number of accidents requiring sick leave/average number of workers * 100; Severity rate: number of days lost/total hours worked * 1000 (days lost are understood to be scheduled working days); Frequency rate: number of accidents/total hours worked * 1000000

* The data in this table exclude those corresponding to international local branches.

In 2021, activities focused on promoting an accident-prevention culture were expected to continue.

In order to meet this objective, cross observations of the different behaviours in all plants and sections are carried out periodically, which makes it possible to assess the degree of implementation of the prevention system and to plan useful improvement measures to reduce risk situations. These observations have served to confirm a positive trend in the evolution of this preventive culture, which requires perseverance and reinforcement of safe behaviours for its consolidation. At present, these observations have been digitised to facilitate both these observations and their analysis.

Safe activities

Continuing along the line that FINSA's occupational health and safety must necessarily be shared by everyone, it is therefore essential that the companies that access the different centres of the organisation do so following the same safety standards that are used by the company's own personnel.

In order to ensure that all personnel who access our facilities are aware of the existing risks in our facilities and how to act in the event of an emergency, a specific training project is being developed. Explanatory videos have been made for each centre and rooms are being set up in which this training can be carried out. Once a knowledge test has been passed, access to the centre

will be granted.

With the current pandemic situation, all persons accessing the facilities on behalf of collaborating companies have also received training in safety, occupational hazards and preventive measures specific to the centres, as well as training on COVID-19 safety protocols.

Throughout 2021, in addition to this induction training, more than 13,578 hours (7,639 in 2021) of training were given on various health and safety topics, including the following:

- Risks and preventive measures when working at heights.
- Emergency plan. Practical training in fire control and extinguishing techniques.
- Risks in tasks involving the driving of various vehicles (forklift trucks, lifting platforms, shovels, etc.)
- Chemical risks associated with exposure to products used in each work station.
- Risks and preventive measures associated with working in ATEX areas.

Health and safety committee

The Health and Safety Committee is the joint participation body for the regular and periodic consultation of the company's actions in terms of risk prevention. The staff of the four Galicia centres and the Cella centre are represented in these

committees. In addition, at the centres in Portugal and France the corresponding bodies are constituted according to the legislation in force.

Audits

In addition, regulatory audits are carried out periodically to verify compliance with accident prevention regulations, which also serve to assess the effectiveness of the management of the department and the integration of accident prevention within the company.

In 2020, the audit schedule was altered due to the pandemic situation, with only the audit of the Foresa centre being carried out during the tax year.

In 2021, audits were carried out at the Santiago, Cella, Padrón, Ourense and Rábade centres, the sales offices and Cogeneración del Noroeste. The overall assessment of the prevention system was satisfactory.

Agreements

In 2008, the corporate representatives and the FINSA Board of Directors jointly signed an agreement including points agreed with the Health and Safety Committee. These include fundamental aspects of accident prevention, such as risk assessments, accident investigation, preventive planning, training, communication, etc. The participation of accident prevention officers in these activities is also included, as well as the promotion of the active participation of the rest of the staff.

Suppliers: our travelling companions

Suppliers are a fundamental part of the work chain that ends with customer service. FINSA is rigorous when it comes to selecting them, and maintains stable relationships with many of them, based on trust on both personal and professional levels, in order to guarantee good service, adequate prices and high quality products. To be precise, professionalism and ethics in relationships with supplier companies is an essential value that the company both demands from others, and offers in return.

Selection criteria

The selection of suppliers is carried out taking into account objective and impartial mechanisms that take into account the availability of necessary products, quality, service, collaboration and contribution. An active search is also carried out for suppliers with differential value proposals such as technological innovation and technical improvements with innovative products and services that can be adapted to different needs and applications.

There is a high degree of integration between the different players involved in the production process (such as purchasing, maintenance, technical office and production staff), which makes it possible to carry out analyses, identify needs and develop any improvements required by the market and the product. The mechanisms for defining standards are based on the training

and supervision of all departments involved.

Requirements with suppliers comply with those in force in the countries in which the Group operates in terms of contracts and subcontracts. The company does not currently have a specific policy that explains and establishes its commitments to social issues or gender equality in hiring.

The different legislations make up the legal framework that regulates the relations between companies. In any case, FINSA has the necessary human and organisational resources so that any supplier who believes their rights have been violated can express the relevant allegations to the company's management.

It is worth highlighting the company's absolute insistence on eliminating any preferential treatment of a supplier that is not justified by differentiated professional qualities. Likewise, no company will gain a benefit in the relationship if it tries to curry favour with the company by methods other than those that are strictly professional. Thus, FINSA's staff has clear instructions on what the terms of the relationship with suppliers should be. In cases of non-compliance or unsuitable practices, the sanctioning code would be applied to staff members and the supplier would be excluded from professional relations with the FINSA Group.

Central purchasing department

With regard to the purchase of materials from the various work centres, we have opted for a centralised service for which the purchasing department is responsible, and which takes into account the possibility of integrating the local distribution of suppliers with a competitiveness similar to that existing in the countries or regions where the production processes are carried out.

The purpose of the work, done under a commercial or 'framework' agreement, is to seek out partners or allies and secure the best conditions, in terms of both product purchases and value-added services. To this end, it promotes the improvement of collaboration opportunities with specialised technical training for the different plants. The conditions of purchasing agreements are managed making efforts to include details of supplier contacts for each centre, rates and discounts, after-sales service, warranties and training.

Responsibility to the consumer

Guaranteed product

All products marketed by FINSA have CE marking and a declaration of performance, which includes its essential characteristics as per EU regulation EU574/2014 of the European Union. These declarations of performance are available to the consumer in the Products section of the FINSA website.

The products manufactured for construction comply with regulation (EU) 305/2011 which regulates the matter and establishes the conditions of sale in Europe.¹

Consistent with its environmental policy and commitment, in 2011 FINSA became the first chipboard manufacturer in the Iberian Peninsula to provide the Environmental Product Declaration (EPD-Environmental Product Declaration). The EPD is a public report that expresses the results of the Life Cycle Assessment (ACV, Análisis del Ciclo de Vida) of a product, validated by an external evaluator. It is therefore a tool for transparency concerning a product's actual impact on the environment during all stages of its life cycle.²

In 2021, we initiated the renewal of our main product declarations, which were expected to be published the next year. We also worked on life cycle analyses of new products. This work was expected to continue in 2022.

In addition, it is one of only two manufacturers in the European Union with the Ecolabel (EEA) for laminate flooring. This is a voluntary seal of environmental excellence for products and/or services that meet high ecological standards throughout their life cycle, which contributes to the generation of a circular economy.³

Certifications Cradle-to-Cradle

In 2018, work began on obtaining multi-attribute C2C certification which ensures that a product is safe and 'circular'. This certification is directly connected to SDGs. During this year we expanded to new products, and managed to be present in three categories: Bronze, Silver and Gold.

Product transparency — DECLARE

This is a voluntary outreach programme that aims to transform the building materials industry towards healthier products through the transparency

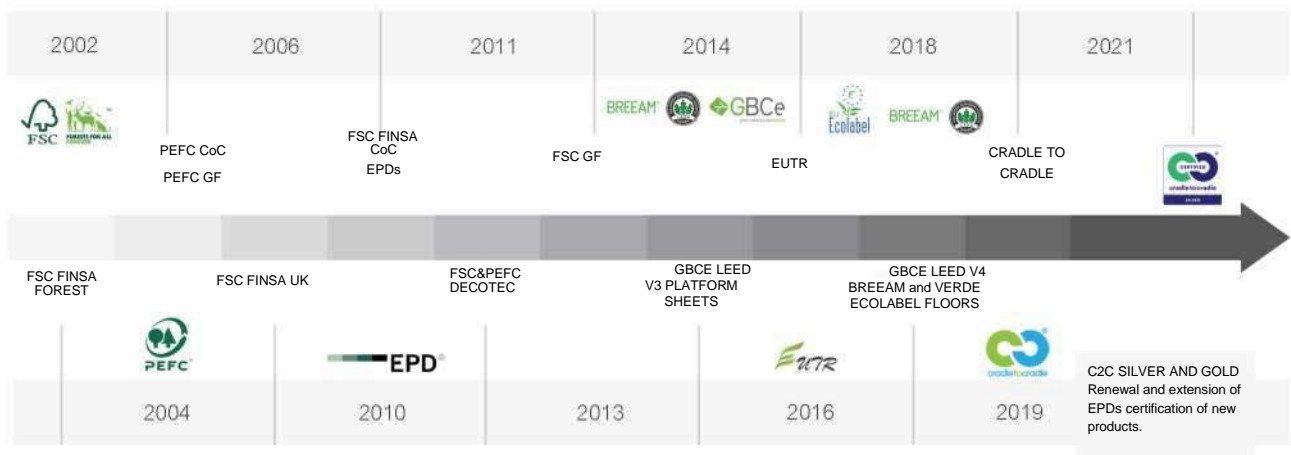


1 <https://www.finsa.com/publicaciones/doc-prod05.nsf/fichas11dop?OpenPage&Start=1&Count=800&Expand=1>

2 <https://www.environdec.com/Detail/?Epd=7995>
<https://www.environdec.com/Detail/?Epd=7988>
<https://ibu-epd.com/en/published-epds/>
<https://www.eco-platform.org/list-of-all-eco-epd.html>

3 <http://ec.europa.eu/ecat/category/en/33/wood---cork--and-bamboo-b>

In 2021, the products included in our certifications were renewed and expanded, and we will continue to focus on transparency about the impact of our materials.



of their ingredients. All materials with the Declare seal have declared at least 99.9% of their ingredients.

HPD Health Product Declaration A Health Product Declaration (HPD) is a document shared by manufacturers to disclose a product's ingredients and associated health hazards.

The Material Health Certificate Based on the rigorous health assessment methodology of the Cradle-to-Cradle standard, materials are evaluated to promote healthier and safer products.

Ecolabel Voluntary seal of environmental excellence created by the eU in 1992 for products/services that meet high ecological standards throughout their life cycle. Our laminate flooring is currently certified.

Forestry Certifications

PEFC/FSC®

Wood is a sustainable and 100% recyclable material that helps to

fight against climate change. We buy certified wood, we certify our farms and we help our suppliers to get certified. Since 2004 the FINSA Group has implemented a PEFC/FSC® chain of custody certification system, which allows it to supply certified wood products to its customers.

EUTR

As a sign of transparency, FINSA voluntarily certifies compliance with EU regulation 995/2010 regarding the legal origin of wood.

ISO 38200

We are ISO 38200 certified. This is an internationally recognised standard for the transmission of information along the supply chain of timber and timber products.

Sustainable building certifications BREEAM and LEED GREEN, WELL and LBC

FINSA materials help to meet the requirements of sustainable building certifications. Our products are validated by Green Building Council España and can be queried on their materials platform.⁴

Complaints and claims

FINSA provides its customers, industrialists and distributors with a system for processing and resolving complaints and/or information files from all factories, relating to both product quality and deficiencies in service and marketing.

The complaint files are used, in turn, to detect potential problems, make improvements, adapt the products to the specific characteristics of the customer's production processes, prevent future complaints, etc.

In the 2021 tax year, the cases managed accounted for 0.12% of total net sales.

⁴ <http://materiales.gbce.es/revestimientos/>

Environment and sustainability

Wood, a vital raw material

Since its beginnings, FINSA has been aware of the responsibility that comes with using wood as a base element to transform and develop solutions for the market. This responsibility has in turn generated a greater awareness of one of the main challenges facing the world today: the reduction of CO2 emissions into the atmosphere — the main cause of global warming. As is well known, trees naturally contribute to this reduction, as their wood absorbs and stores the CO2 produced by both industry and daily consumption habits.

With this starting point and knowing the importance for the environment of this renewable and versatile raw material, at the end of its first useful life, both wood and a by-product can be reused, recycled and used as a carbon-neutral energy source. This means that they do not emit more CO2 than they have absorbed throughout their life cycles.

Data in the industry counts for a lot: every m3 of wood used as a substitute for another material can save a total of two tonnes of CO2. Wood products therefore have an important role to play in increasing the efficiency of forests. They do so in two ways: on the one hand, by extending the period in which CO2 is stored before being released back into the atmosphere; and on the other, by encouraging the growth and

renewal of the forests.

The use of chipboard is another way to extend the use of natural wood and its CO2 storage capacity. The use of forest harvesting and recycled wood in the manufacture of chipboard contributes to extending the CO2 storage capacity by an average of 30 years.

During 2021, FINSA manufactured 2.3 million m3 (1.9 million m3 in 2020) of chipboard, equivalent to a removal of 1.5 million tonnes of CO2 eq.

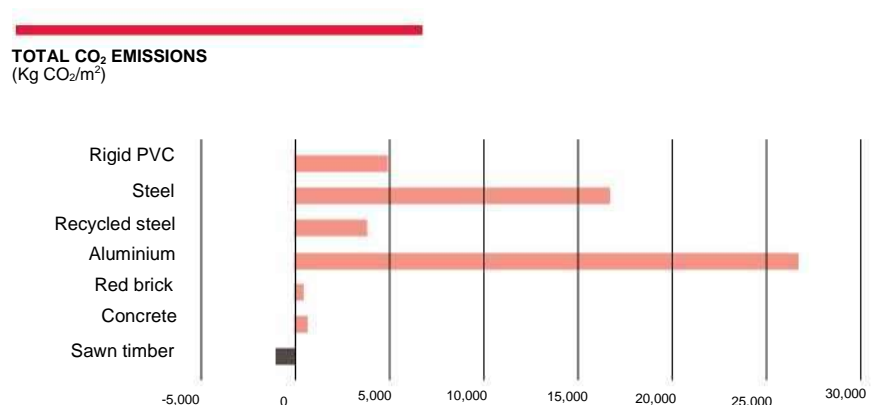
Environmental management, an essential resource

FINSA has its own environmental management system, following the requirements established in the international reference standard UNE-EN ISO 14001:2015, which regulates environmental management systems.

The management team establishes and develops its policy, understood as the combined guidelines and general objectives that guide

the company's actions in relation to environmental protection. To this end, it assumes a series of commitments based on compliance with environmental legal requirements; the prevention and control of pollution through the application of the best available techniques, the prevention of environmental risks, the training and sensitising of all members of the organisation and, of course, the creation of channels for communication with interested parties.

In addition, it has opted for external certification of its environmental management system so that an independent body audits all work centres annually, verifying that its environmental practices are in line with this standard. The first ISO 14001 certificate was obtained in 2004 at the Bresfor site in Portugal and to date, all production sites have validated and maintained their certificates.





The purchase of timber at the local level has been maintained.

Risk management

Integrated in today's world, with its constant changes and challenges, FINSA interacts with society in order to identify the communities and organisations that are affected, or may be perceived to be affected, by its business activity. Each centre identifies these groups, considers their relevance, and defines their needs and expectations regarding the company's environmental performance. Once the risks have been identified, they are incorporated into the annual management plan.

In terms of risk management, two common concerns deserve to be highlighted: water consumption during manufacturing of MDF boards and resins, and the use of fossil fuels in co-generation plants, which are subject to an uncertain payment framework. There are other environmental aspects, such as light pollution or noise released outdoors, which have not been considered as relevant in this report. With regard to the first case, the environmental licences of the facilities do not establish any particular conditions in this respect. As for the second, the external checks carried out with the frequency stipulated in the same environmental licences have as yet shown no evidence of non-compliance regarding noise emissions within the facility limits.

Sustainable use of resources

All the environmental aspects that may be relevant in the

performance of FINSA's activities are quantified in each work centre by means of indicators that allow performance to be monitored.

Raw materials

FINSA uses wood from properly managed forestry operations, and requests and manages documentation verifying the origin of each purchase. It thereby avoids trade in timber or harvested timber products that does not comply with the applicable legislation in accordance with Regulation (eU) No. 995/2010 of the European Parliament and of the Council, which establishes the obligations of operators who place timber and products derived therefrom on the market. In addition, and on a voluntary basis, the company has externally certified its

due diligence in accordance with the aforementioned regulation, as a guarantee and indicator of transparency.

The Group also complies with PEFC (Program for Endorsement of Certification Systems) and FSC® (Forest Stewardship Council) requirements, both in the management of its own forestry operations and in the custody chain of the certified wood consumed in its factories.

In accordance with the controlled wood categories established by FSC®, FINSA avoids any controversial source of wood and is progressively increasing the purchase volumes of FSC®/PEFC certified wood as it becomes available on the market.

RAW MATERIALS (GRI 301)

	2020	2021
Wood	2,843,752 tonnes	3,373,957 tonnes
Wood from safe sources	100%	100%
PEFC Certificate¹	22.85 %	39.98 %
FSC Certificate²	12 — 39%	0.4 — 22%
Resins	253,761 tonnes	293,114 tonnes
Methanol (resin manufacturing)	156,482 tonnes	183,789 tonnes

¹ Global group certificate (multi-site). The percentage of PEFC certified forest area in Spain compared to the total forested area is 12% (10.5% in Galicia and 5.1% in Aragon).

"PEFC is the most widely implemented forest certification system in the world. PEFC's aim is to ensure that the world's forests are managed responsibly, and that their multitude of functions are protected for present and future generations. To this end, it draws upon the collaboration of owners and companies in the forestry sector who, by committing to the certification of their forests and industries, are ensuring the sustainability of the sector". (Source: <https://www.pefc.es/pefc.html>)

²The percentage of FSC certification varies depending on the production site, as FSC does not support the possibility of multi-site certification. Approximate percentage of FSC certified area in Spain in 2018: 1.6%. "FSC facilitates the development of standards, ensures monitoring of forestry projects and protects the FSC trademark so consumers can choose products that come from well-managed forests". (Source: <https://es.fsc.org/es-es/acerca-de-fsc>)

In 2021, 470,592 tonnes of recycled wood were reused as raw material.

In 2021, as in previous years, the policy of purchasing raw materials locally was maintained, giving priority to small local producers. In 2021 (in line with 2020), around 70% of the wood consumed came from a supply radius of less than 150 km, and more than three million m³ of wood was mobilised, mostly from small local suppliers including sawmills, auctioneers, private owners and wood waste salvagers.

As a result of a clear commitment to the circular economy, we manage and recycle wood to manufacture new materials in our factories and we research and invest in new recycling technologies. We also have over 720 proprietary collection containers and in 2021, 470,592 tonnes of recycling were reused as raw material (407,294 tonnes in 2020) which is an increase of 17% compared to the previous year's value (see GRI 306).

Energy

The industrial process consumes mainly thermal and electrical energy. Thermal energy consumption is associated with the drying processes of wet wood particles or fibres due to contact with the hot gases generated in the boilers and co-generation plants. Another source of thermal energy consumption is the heating of the

board presses, where the wood particles are compacted to form the wood board. On the other hand, the consumption of electrical energy that is associated with the manufacturing processes is located in different stages and with different intensities depending on the type of board manufactured. These essentially include wood chipping and milling, chip shredding and sanding / cutting of the final product.

Another issue associated with this energy consumption — which is necessary to our activities — is the emission of greenhouse gases, in regard to which the organisation continues to implement measures to reduce these emissions and therefore mitigate climate change.

Water The use of this resource in the production processes is a constant challenge for the design of the company's processes and products, since water consumption goes hand in hand with the production of both formaldehyde and resins (since these are water-based products), as well as the generation of steam in the MDF board manufacturing process.

In view of the increase in consumption due to the operation of the BATs associated with the control of atmospheric emissions from the dryers, certain deviations in the water demineralisation systems at the Bordeaux plant and the need to increase the use of water in a preventive way during the summer at the Nelas wood yard, not only

ENERGY MANAGEMENT¹ (GRI 302)

	2020	2021
Thermal energy consumption in combustion facilities²	10,357 Tj	11,944 Tj
Biogenic origin (biomass)	61%	71%
Of fossil origin	39 %	29 %
Consumption of energy by motor vehicles³	103 TJ	102 TJ
Consumption of electricity	607.55 GWh	688.88 GWh
Electricity fed into the grid by cogeneration plants	374.19 GWh	350.70 GWh

¹Scope: all factories belonging to the group, including co-generation plants.

²Source: Calculation factors used in the verification of greenhouse gas emissions in accordance with the Commission Decision of 18 July 2007 establishing guidelines for the monitoring and reporting of greenhouse gas emissions.

³Internal vehicle traffic within the plants.

There is evidence of a reduction in direct GHG (Greenhouse Gas) emissions and a greater use of renewable energies.

WATER MANAGEMENT (GRI 303)

	2020	2021
From municipal network	473,907 m ³	677,763 m ³
From underground or surface capture	1,479,090 m ³	1,555,115 m ³

have we managed to keep specific consumption stable, but we have also improved it slightly with respect to previous years.

Emissions

In terms of direct GHG emissions, they were reduced that year by 13% with respect to those verified in 2020. This substantial improvement is associated with the improved operation of cogeneration plants, the substitution of fuel oil for natural gas in combustion chambers and the increased use of renewable energies as fuel in thermal processes. So much so that whereas in 2020 61% of the total thermal energy consumed in factories was generated in biomass boilers, in 2021 we achieved 71% consumption of this renewable thermal energy.

This use of biogenic energy avoids atmospheric emissions equivalent to 473,688 tonnes of CO₂ (354,883 equivalent tonnes

of CO₂ in 2020).

GHG emissions associated with electricity consumption (Scope 2), in absolute terms, increased with respect to 2020, when we recorded lower industrial activity (see Covid-19), and therefore lower electricity consumption.

However, compared to 2018 where activity levels were even 7% lower than in 2021,

² Referring to the combustion of natural gas, for that same thermal energy generated.

Scope 2 emissions have been reduced by 45%. This is the result of various internal factors (energy efficiency and energy purchasing criteria) and external factors (increase in renewable energies and the closure of coal-fired power plants by electricity generating companies).

With regard to VOC emissions (volatile organic compounds), there is a lower emission of this type of compound. This reduction is determined by the consolidation of BATs in the associated emission sources, as well as the improvement in the quantification system, based on analytical controls instead of estimates based on recognised emission factors.

Waste

The industry has adapted technologically to be able to use

CLIMATE CHANGE AND (GRI 305) ATMOSPHERIC EMISSIONS

	2020	2021
Direct GHG¹ emissions (Scope 1)	308,193 tonnes CO ₂ eq	268,967 tonnes CO ₂ eq
Indirect GHG emissions (Scope 2)	100,849 tonnes CO ₂ eq	116,707 tonnes CO ₂ eq
TOTAL VOC² EMISSIONS	2,179 tonnes C	1,891 tonnes C
Indirect GHG³ emissions (Scope 3)	Not available	Not available

¹Source: Calculation factors used in the verification of greenhouse gas emissions in accordance with the Commission Decision of 18 July 2007 establishing guidelines for the monitoring and reporting of greenhouse gas emissions. This includes motor vehicles within the factories, proprietary vehicles and rentals for company trips.

²Source: European E-PRTR register and estimated calculations based on the same emission factors.

³This table does not include emissions derived from the management of freight transport carried out by external parties.

¹ Refers to the combustion of natural gas, for the same thermal energy generated.

By 2021, significant investments have been made in board mills to mitigate the effects of climate change.

WASTE (GRI 306)

	2020	2021
Wood waste recovered as raw material	407,294 tonnes	470,592 tonnes
Non-hazardous waste generated	75,204 tonnes	93,103 tonnes
Reused	95%	95%
Hazardous waste generated (t)	4,142 tonnes	3,391 tonnes
Reused	48 %	45 %

second-use wood waste as a raw material, in particular in the manufacture of particle board. We resumed our growth trajectory at the Cella, Nelas and Santiago centres, which was interrupted the previous year due to the Covid-19 pandemic.

95% of the total volume of waste produced in plants is considered non-hazardous waste and its recovery rate remains very high at around 95%. In global terms, we can observe an increase in the generation of these wastes, centred on ashes from biomass boilers. This is therefore an inevitable effect, associated with the reduction of greenhouse gas emissions.

Those wastes produced characterised as dangerous account for only 5% of the total. Their own nature and the treatments that the final managers apply to this waste do not allow us to recover more than 45% of the waste generated at the moment.

The organisation continues to actively search for management alternatives that improve on the current ones, such as the material recovery of the most commonly generated wastes, namely ashes (for reuse in various materials associated with sustainable construction) and sewage sludge (from which biopolymers for various uses may be obtained).

Towards a sustainable future

For board mills, 2021 meant the consolidation of the significant investments associated with adaptation to the European guidelines establishing the conclusions regarding the best available techniques (BAT) for the manufacture of wood-based panels.

Within the group overall so far, more than €75.0 million have been spent since 2016 on the design, installation and commissioning of environmental technologies defined by the European Commission as those with the best environmental performance in the EU.

In the area of energy efficiency, in addition to the consolidation of a tool for monitoring plant consumption, sectoring the main consumers and carrying out control and reduction actions, progress has been made in the implementation of an energy management system based on the UNE-EN ISO 50001:2018 standard, the certification of which will be undertaken during 2022 in the 5 Spanish board plants.

The investment in this area for 2021 amounts to €1.2 million, ranging from LED lighting, the installation of frequency converters for high consumption equipment such as pumps and compressors to actions aimed at the use of residual thermal energy or the installation of recharging points for electric cars.



Wood products play an important role in the maintenance of forests.

Protection of biodiversity

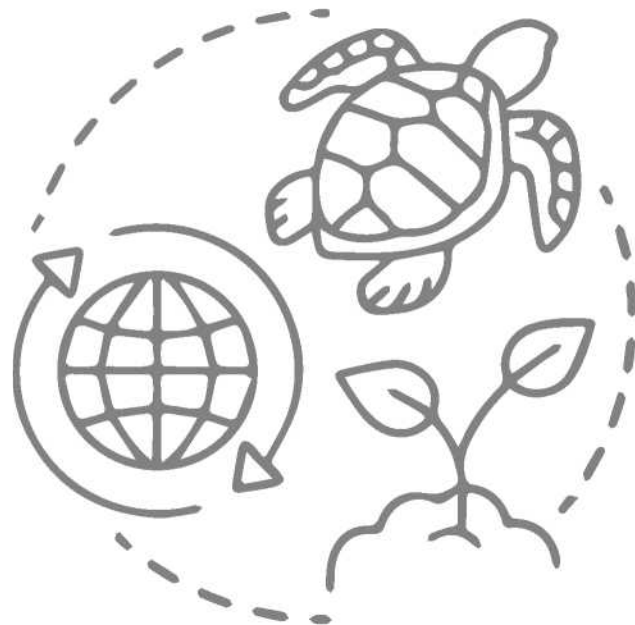
The protection of biodiversity is a demand that also affects the industry, one which FINSA meets specifically through forestry approval. Timber felling is subject to prior authorisation by the competent authorities, who are responsible for monitoring compliance with the biodiversity preservation measures imposed in each case.

The group's production centres are located outside protected natural areas, except FINSA Padrón, the activity of which began in 1964. Next to this centre there are protected natural spaces such as the ZEC Ulla-Deza River System (a territory included in the Natura 2000 Network). The following table details some characteristics about their status and protection:

All FINSA Group facilities are subject to compliance with Directive 2010/75/EU regarding industrial emissions, which recasts Directive 96/61/EC regarding integrated pollution prevention and control

(IPPC) and six sectoral directives. All the plants have thus processed their corresponding environmental authorisations and, when applicable in compliance with current legislation, have also submitted the relevant environmental impact assessments to the competent environmental bodies. There are

It should be noted that in no case have the competent authorities determined any need to take specific measures for the preservation or restoration of biodiversity.



NATURAL ELEMENTS OF INTEREST

	Management	Distance	Protection
Ulla-Deza River System	Surrounds the facility to the north, east and south	3 m (the nearest point)	Natura 2000 Network (ZEC) ZEPVN area
Arousa Wetland Complex	Surrounds the facility to the north, south and east	3 m (the nearest point)	—

Commitment to society

In 2021, we forged ahead with various training projects, industry 4.0, promotion of equality and the fight against gender violence, sustainable development and social action. These projects have been promoted by the academic community, different local administrations, professional associations, and private non-profit organisations and associations.

Materials have been provided for the adaptation of facilities to various associations that serve people who are in situations of need and/or have been disadvantaged by circumstances. It has also participated with economic contributions in social and cultural projects developed by non-profit organisations.

Associative vocation

FINSA has continued to belong to and be an active part of the most relevant associations in the sector and the wood value chain, at European and national level, as well as other business associations of a cross-cutting nature.

Projects

In 2021, as in 2020, making a major effort to adapt to the situation brought about by Covid-19, we continued to work on various projects that had already been started in previous years to contribute to the development of the communities in which we operate. The most noteworthy of these include:

Collaboration projects in the field of training

- Project G2030: Professional Profiles of the Future, coordinated by the Spanish Regional Ministry of Education and the Galician Business-University Foundation (FEUGA).

- The Futurefacing project belonging to the European- Erasmus+ programme. We have participated in various conferences related to the enhancement and dissemination of the project.

- Continuity in the coordination of the training project promoted by the Arume Foundation for industry and forestry, started in 2018.

- Collaboration in the implementation of the training strategy for the forestry sector promoted by the Galician Forest Industry Agency (XeRA).

- Collaboration agreement with the University School of Industrial Design of Ferrol (eUDI) belonging to the UDC (University of A Coruña). An especially notable project has been "Material Away- New Furniture Concepts for Creative Neo-Nomads."

- The "BENenBICI" collaboration project, in which several companies from the sector, professional training centres and the School of Industrial Design have participated, to investigate alternative possibilities for the use of wood outdoors beyond those already known.

- Training project for teachers dealing with professional aspects concerning

wood, furniture and bark, with the participation of teachers from various vocational training centres.

- Collaborative projects and artist residencies to investigate new methods of architecture. These residencies are related to construction processes, carpentry and performance art, and exploration of novel uses of wood and wood derivatives for outdoor use.

The FINSA centres have continued to be visited by dozens of students from different universities and vocational training centres.

It has also participated in several job fairs and has given workshops and career guidance talks to students and unemployed people.

Collaboration projects in Innovation and Industry 4.0 In the field of Industry 4.0, the most relevant projects in 2021 were:

- The Smart4wood project: we finalised the implementation of the Smart4wood project pilots, subsidised by GAIN and FEDER funds, to implement the latest technologies, including machine learning, augmented reality, virtual reality, collaborative robotics, artificial vision and chatbots.

- Enxeño+: we started work on the pilots of the Enxeño+ project, subsidised by GAIN and FEDER funds. These



We have initiated new projects related to innovation and Industry 4.0.

works, which integrate the digitisation of processes, aim to transform current mass manufacturing models into models where manufacturing can also be customised in a massive and sustainable way, providing greater added value. These models will facilitate the board industry to advance along the lines of Industry 4.0 smart and sustainable manufacturing.

- The Smartpack Project: project co-financed by the Ministry of Science, Innovation and Universities and the State Research Agency. This project is the first in Spain to address the development of a component packaging production line based on an intelligent process through the development of innovative manufacturing technologies and their combination with the development of new flexible and high-precision robotised systems, in order to optimise the material used during the process.

- EOI Challenge: the Spanish EOI Business School held a conference in which various companies presented technological challenges. FINSA participated with a project on the use of blockchain.

- Consello Empresarial Gradiant: since 2019 we have been part of the Consello Empresarial de Gradiant, one of the technological centres of Galicia.

- DIH DataLife: FINSA continued to participate as a founding partner of the Digital Innovation DataLife Hub, one of the two official DIHs of

Galicia that aim to make Galicia a benchmark bio-region within Europe.

- EIXO Joint Research Unit. Co-financed by the EUROPEAN UNION in the framework of the ERDF Galicia 2014-2020 Operational Programme, with the thematic objective of promoting research, technological development and innovation. Supported by the Consellería de Economía, Emprego e Industria de la Xunta de Galicia.

The EIXO Joint Research Unit began from the collaboration between FINSA and the University of Santiago de Compostela, through its Structural Wood engineering Platform (PEMADE) which specialises in R&D&I regarding the development of structural products and has experience in technology transfer and training.

- The FORTRA Project: collaboration in the project developed by the Xunta de Galicia for the traceability of Galician wood and its by-products, using blockchain technology.

- The “Intelligent Systems for Industry 4.0” project (second phase). Through this collaboration, the Ci-TIUS (Singular Centre for Research in Intelligent Technologies of the University of Santiago — USC) and the CESGA (Galician Supercomputing Centre) will contribute to improving and optimising manufacturing processes.

- Collaboration in the Maker Faire, a benchmark maker event in

Galicia.

Collaboration project for the prevention of occupational hazards in the forestry sector

FINSA has continued to participate in a working group with other companies in the sector and with the Galician local government with a view to improving working conditions in the forest, contributing to the development of tools that promote safe activities. As a result of this project, various documents on preventive planning and coordination of activities in this field have been developed.

Participation in the 2030 observatory of the Senior Council of the Spanish Architects College (CSCAE)

In 2021, FINSA participated in various meetings of the Architecture Observatory, promoted by the Senior Council of the Spanish Architects College (CSCAE) to promote SDGs (Sustainable Development Goals) for 2030. The working groups convened the main players in the sector and the relevant local government authorities in order to develop this instrument for change, with the support of four ministries, the High Commissioner for the 2030 Agenda and UN-Habitat Spain.

Collaboration projects against gender-based violence

FINSA has carried out awareness-raising actions in its various centres to promote equality and the fight against gender-based violence.

Ethics, integrity and transparency

Fighting corruption and bribery

Ethics and compliance are the cornerstones of the Company's business activities. This obliges us to act with the utmost integrity in the performance of our obligations and commitments, as well as in our relations and collaborations with stakeholders. The group has a series of rules of corporate conduct, which establish the values and behavioural guidelines that must be accepted by all the people who make up the group.

The main line of action involves acting responsibly in management and complying with tax obligations in all jurisdictions in which the company operates, as well as assuming a commitment to transparency and collaboration with the corresponding tax administrations.

A robust, integrated ERP system and segregation of duties are critical to preventing and mitigating fraud risk. Generally speaking, internal audits, internal operational monitoring, IT monitoring and the support of the IT Department make up the action guide promoted by the Management.

No complaints related to the subject of reference were received during the tax year.

In 2019, the implementation of a Crime Prevention Model

had been initiated throughout the Group and its effective implementation was achieved in 2020 with the approval of the model, which has been configured as follows:

—Identification of activities in the scope of which illegal activities may be committed (Risk Map)

—Appointment of a Compliance Oversight Body. —Implementation of a Complaints Channel within the Group.

—The approval of a Group Code of Conduct.

In 2021, work continued along these lines, with actions mainly focused on training for the entire Group's workforce.

Tax information

The company accepts and respects its responsibility to comply with current tax legislation and all tax obligations resulting in the payment of taxes in all the territories in which it operates.

In 2021, as in 2020, several companies belonging to FINSA were taxed under the tax consolidation regime in Spain, Portugal, France and the United Kingdom.

1. Pre-tax profit: Pre-tax profit of each company aggregated by country is included, excluding dividends from Group entities.



After implementing the Crime Prevention Model the previous year, during this tax year we worked on its training and dissemination.

Country	Pre-tax of the tax (1) (Euros)		Tax on benefits paid (2) (Euros)		Public subsidies received (3) (Euros)	
	2020	2021	2020	2021	2020	2021
Spain	44,017,225	69,641,560	8,326,674	17,601,149	4,183,012	14,096,045
Portugal	19,331.67	34,081,148	2,406,346	3,747,750	723,984	1,996,370
France	-13,281,168	9,488,207	0	0	4,000	168,418
United Kingdom	974.83	1,435,213	71,899	144,253	58,296	12,953
The Netherlands	715.45	828,284	154,002	145,708	0	0
Ireland	662,346	1,644,482	3,721	12,485	0	0
Poland	255.03	495,705	73,439	36,877	453,383	0
Italy	-89,826	43,193	25		12,856	4,387
United Arab Emirates	-78,776	2,978	0	0	0	0
Mexico	-496	10,498	0	0	0	0
Panama	-1,480	170,418	2,141	2,222	0	0
Total	52,504,821	117,841,689	11,038,247	21,690,444	5,435,531	16,278,173

2. Income tax: In the above table, the income tax paid corresponds to the amounts paid for corporate income tax on a country-by-country basis for the current tax year.

On the other hand, corporate income tax refunds for the tax year 2020 amounting to €1.66 million were received in the tax year 2021: in Spain €0.23 million, in Portugal €1.42 million and in the Netherlands €4,792. In 2021, tax payments for the previous tax year amounting to €0.59 million were also made: in Spain €0.45 million, in the UK €0.13 million,

in Ireland €8,764 and in Poland €6,498.

3. Public subsidies received: €5.44 million in grants were received from public bodies in the 2021 tax year (in 2020: €5.44 million).

— Capital grants of €13.43 million (in 2020: 4.72 million): €12.94 million correspond to emission rights (in 2020: €3.02 million), €0.49 million were granted for investments made in the expansion and modernisation of the Group's industrial facilities (in 2020: €1.26 million). In 2020, EUR 0.44 million was also

awarded for aid granted as a result of COVID-19.

— Operating grants: €2.85 million, mostly official aid for R&D&I activities. (in 2020: €0.72 million).

Appendix I

MATERIALITY ANALYSIS

Scope	Features	Relevance			Stakeholders
		FINSA	GRI Topics	SASB	
Economic	Reduction of emissions from deforestation (REDD)	X	O		Partners, company (reuse and recycling of raw materials, use of wood as a carbon store, etc.)
	Indirect economic effects	X	O		
	Product design and life cycle management	X		O	Administrators, partners (use of wood at the end of its first useful life, use of resources for the generation of a certain level of waste).
Environment	Material procurement	X	O	O	Suppliers, partners, administrators, company (use of raw material from properly managed farms, use of local timber, etc.)
	Energy consumption	X	O	O	Managers, society (energy consumption during product manufacturing, energy efficiency, reduction of water consumption — reuse of waste water in steam generation).
	Water consumption	X	O	O	
	Water management / storage	X	O	O	
	Treatment of species		O		—
	Protection of biodiversity	X	O	O	Administrators, company (protection of biodiversity in the forest — timber production — and in factories).
	GHG emissions	X	O	O	Administrators, partners, company (climate change and atmospheric emissions, use of wood as a method of CO2 reduction, circular economy and waste management).
	Chemicals / waste management	X	O		
	Waste management	X	O		
	Forestry practices (deforestation, fire control, use of pesticides, etc.)	X	O		Suppliers, partners, managers (enhancement of forest management and the timber value chain).
	Forest management	X	O		
	Ground management		O		—
	Internships	X	O		Employees (staff welfare, work climate, training, promotion of diversity/equality, work-life balance measures)
Working conditions	X	O			
Workforce relations	X	O			
Health & Safety	X	O	O		
Social	Corruption	X	O		employees, suppliers, partners, administrators (measures against corruption, fraud, money laundering and bribery — compliance and respect for ethical values).
	Child exploitation		O		—
	Human Rights	X	O	O	Society (respect for rights in the different regions and regulations on the subject — conventions).
	Production certification		O		—
	Corporate governance		O		—
Others	Regulatory compliance	X	O	O	Employees, suppliers, partners, administrators (regulatory compliance regarding environmental issues, personnel, human rights, corruption and society in general).
	Procurement strategy and policies	X	O	O	Partners, administrators, company (establishment of responsible strategies and policies within the organisation).
	Crisis management			O	—

O Potentially relevant aspect/material

X Relevant aspect/material for FINSA

Appendix II

TABLE OF CONTENTS ACCORDING TO THE REQUIREMENTS OF LAW 11/2018 REGARDING NON-FINANCIAL INFORMATION AND DIVERSITY AND ACCORDING TO GRI

Area	Contents	Subject matter (Yes/No)	Selected GRI indicator	Document section/page	Comments	
Business model	Brief description of the group's business model, including: 1.) its business environment, 2.) its organisation and structure, 3.) the markets in which it operates, 4.) its objectives and strategies, 5.) the main factors and trends that may affect its future evolution.	YES	102-1/ 102-2/ 102-4/ 102-6/ 102-7	4 to 8		
Policies	A description of the group's policies with respect to such matters, including: 1.) the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, 2.) the verification and control procedures, including what measures have been taken.	YES	103	33		
Risks to CP, MP and LP	The principal risks related to those issues associated with the group's activities, including, where relevant and proportionate, its business relationships, products or services that may have an adverse impact on those areas; and * how the group manages these risks, * explaining the procedures used to detect and assess them in accordance with the national, European or international frameworks of reference for each subject. * This should include information on the impacts that have been identified, giving a breakdown of these impacts, in particular on the main risks in the short, medium and long term.	YES	102-15		In each section of the report the specific ones are discussed according to the subject to be dealt with	
Global Environmental						
	1. Detailed information on the current and foreseeable effects of the company's activities on the environment and, where appropriate, health and safety, environmental assessment or certification procedures; 2. Resources dedicated to prevention of environmental risks; 3. The application of the precautionary principle, the amount of provisions and guarantees for environmental risks. (e.g. derived from environmental liability law)	YES	103	25 to 26		
Contamination						
Environmental issues	Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment.	YES	103	28		
	Taking into account any form of activity-specific air pollution, including noise and light pollution.	YES	103	28		
	Circular economy and waste prevention and management					
	Circular economy.	YES	103	6		
	Waste: Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste.	YES	103/ 306-3	28 to 29		
	Actions to combat food waste	NO				
Sustainable use of resources						
	Water consumption and supply according to local constraints.	YES	303-5	28		
	Consumption of raw materials and measures taken to improve the efficiency of their use.	YES	301-1	26		
	Direct and indirect consumption of energy, measures taken to improve energy efficiency and the use of renewable energy sources.	YES	302-1	27		

Area	Contents	Subject matter (Yes/No)	Selected GRI indicator	Document section/page	Comments
Environmental issues	Climate Change				
	The significant elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces.	YES	305-1/ 305-2	28	
	Measures taken to adapt to the consequences of climate change.	YES	103	28	
	The reduction targets voluntarily established in the medium and long term to reduce greenhouse gas emissions and the means implemented to this <i>end</i> .	YES	103	28	
	Protection of biodiversity				
	Measures taken to preserve or restore biodiversity.	YES	103	29 to 30	
	Impacts caused by activities or operations in protected areas.	YES	304-2	29 to 30	
	Employment				
	Total number of dismissals and breakdown by sex, age, country and professional classification;	YES	405-1	11	
	Total number and distribution of employment contracts.	YES	102-8	12	
Social and personnel issues	Average annual number of permanent contracts, temporary contracts and part-time contracts by sex, age and professional classification.	YES	405-1	12	
	Number of dismissals by sex, age and professional classification.	YES	401-1	15	
	Average salaries and their evolution broken down by sex, age and professional classification or equal value.	YES	405-2	14	
	Wage gap, the pay for equal or average jobs in society.	YES	405-2	15	
	The average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payment, disaggregated by sex.	YES	103	14	
	Employees with disabilities.	YES	405-1	16	
	Implementation of work disconnection policies.	YES	103	17	
	Organisation of work				
	Organisation of working time.	YES	103	14	
	Number of hours of absence.	YES	403-9	16	
Measures aimed at facilitating the benefits of conciliation and encouraging the co-responsible exercise of these by both parents.	YES	103	16		
Health & safety					
Occupational health and safety conditions.	YES	103	19 to 20		
Accidents at work, in particular their frequency and severity, occupational illnesses, disaggregated by sex.	YES	403-9/ 403-10	19 to 20		
Social Relationships					
Organisation of social dialogue, including procedures for informing, consulting and negotiating with staff.	YES	103	9		
Percentage of employees covered by collective bargaining agreements by country.	YES	102-41	9		
The balance of collective agreements, particularly in the field of health and safety at work.	YES	403-4	21		

Area	Contents	Subject matter (Yes/No)	Selected GRI indicator	Document section/page	Comments
	Training				
	The policies implemented in the field of training.	YES	103	18 to 19	
	The total number of hours of training per professional category.	YES	404-1	18 to 19	
	Universal accessibility for persons with disabilities.	YES	103	18 to 19	
	Measures taken to promote equal treatment and opportunities for women and men.	YES	103	17 to 18	
Social and personnel issues	Equality plans (Chapter III of Organic Law 3/2007, of 22 March, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities.	YES	103	16 to 18	
	The policy against all types of discrimination and, where appropriate, diversity management.	YES	103	16 to 18	
	Implementation of human rights due diligence procedures.	YES	103	10	
	Prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses.	YES	102-16/ 102-17	10	
	Complaints of human rights violations.	YES	406-1	10	
Human rights	Promotion and enforcement of the provisions of the core conventions of the International Labour Organisation related to respect for freedom of association and the right to collective bargaining.	YES	407-1	10	
	The elimination of discrimination in respect of employment and occupation.	YES	103	10	
	The elimination of forced or compulsory labour.	YES	409-1	10	
	The effective abolition of child labour.	YES	408-1	10	
	Measures taken to prevent corruption and bribery	YES	102-16/ 102-17	33	
Corruption and bribery	Measures to combat money laundering.	YES	103	33	
	Contributions to foundations and non-profit organisations	YES	413-1	33	
	The company's commitment to sustainable development				
	The impact of the company's activity on local employment.	YES	203-1/ 413-1	31 to 32	
	The impact of the company's activity on the local populations and territory.	YES	203-1/ 413-1	31 to 32	
	The relations maintained with significant local community parties and methods of dialogue with them.	YES	102-43	31 to 32	
	Association or sponsorship actions.	YES	102-12/ 102-13	31 to 32	
	Subcontracting and suppliers				
	* The inclusion of social, gender equality and environmental issues in the procurement policy.				
Company	* Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	YES	102-9	22	
	Monitoring systems and audits and their results.	YES	103	22	
	Consumers				
	Measures for the health and safety of consumers.	YES	103	23 to 24	
	Complaint systems, complaints received and their resolution.	YES	103	23 to 24	
	Tax information				
	Benefits obtained by country. Paid benefit taxes.	YES	103	33 to 34	
	Public subsidies received.	YES	201-4	33 to 34	



